

TRANSPORTATION

Budget Summary							
Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to:			
				Governor		Base	
				Amount	Percent	Amount	Percent
GPR	\$272,561,200	\$229,959,700	\$229,959,700	\$0	0.0%	- \$42,601,500	- 15.6%
FED	1,680,938,800	1,655,002,300	1,655,002,300	0	0.0	- 25,936,500	- 1.5
PR	11,352,000	12,094,800	12,094,800	0	0.0	742,800	6.5
SEG	3,371,446,000	3,163,716,700	3,314,085,300	150,368,600	4.8	- 57,360,700	- 1.7
SEG-L	215,772,200	215,772,200	215,772,200	0	0.0	0	0.0
SEG-S	<u>481,033,600</u>	<u>1,094,034,600</u>	<u>246,421,200</u>	<u>- 847,613,400</u>	<u>- 77.5</u>	<u>- 234,612,400</u>	<u>- 48.8</u>
TOTAL	\$6,033,103,800	\$6,370,580,300	\$5,673,335,500	- \$697,244,800	- 10.9%	- \$359,768,300	- 6.0%
BR		\$1,300,213,600	\$850,213,600	- \$450,000,000	- 34.6%		

FTE Position Summary					
Fund	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	Joint Finance Change to:	
				Governor	2014-15 Base
FED	833.52	825.97	824.87	- 1.10	- 8.65
PR	19.00	19.00	19.00	0.00	0.00
SEG	2,654.52	2,643.57	2,645.67	2.10	- 8.85
SEG-S	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL	3,512.04	3,493.54	3,494.54	1.00	- 17.50

Budget Change Items

Transportation Finance

1. FUND CONDITION STATEMENT [LFB Paper 630]

Joint Finance: The following table shows the 2015-17 transportation fund condition statement under the Joint Committee on Finance substitute amendment.

	<u>2015-16</u>	<u>2016-17</u>
Unappropriated Balance, July 1	\$63,757,700	\$24,532,100
Revenues		
Motor Fuel Tax	\$1,025,070,300	\$1,032,570,300
Vehicle Registration Fees	670,583,200	672,585,000
Less Revenue Bond Debt Service	-228,155,600	-230,728,600
General Fund Transfers	38,009,600	45,958,300
Petroleum Inspection Fund Transfers	27,258,500	27,258,500
Driver's License Fees	38,444,100	38,124,000
Miscellaneous Motor Vehicle Fees	28,528,100	28,709,000
Aeronautical Fees and Taxes	7,788,100	7,803,700
Railroad Property Taxes	32,857,800	32,507,600
Miscellaneous Departmental Revenues	<u>21,178,300</u>	<u>21,851,800</u>
Total Annual Revenues	\$1,661,562,400	\$1,676,639,600
Total Available	\$1,725,320,100	\$1,701,171,700
Appropriations and Reserves		
DOT Appropriations	\$1,674,557,700	\$1,638,777,400
Other Agency Appropriations	26,557,500	26,711,000
Less Estimated Lapses	-8,700,000	-3,500,000
Compensation and Other Reserves	<u>8,372,800</u>	<u>17,995,600</u>
Net Appropriations and Reserves	\$1,700,788,000	\$1,679,984,000
Unappropriated Balance, June 30	\$24,532,100	\$21,187,700

2. TRANSPORTATION BOND SUMMARY

Governor: The following table summarizes the biennial bond authorization for transportation projects in the bill, by type of bond and program or project.

Transportation Fund-Supported, General Obligation Bonds	
State Highway Rehabilitation	\$242,386,600
Freight Rail Preservation	43,000,000
St. Croix Crossing/Stillwater Bridge Project	30,000,000*
Hoan Bridge/Lake Interchange Project	<u>16,800,000</u>
Subtotal	\$332,186,600
General Fund-Supported, General Obligation Bonds	
Passenger Rail Development	-\$43,000,000
Transportation Revenue Bonds	
Major Highway Development	\$624,531,800
Southeast Wisconsin Freeway Megaprojects	392,093,800
Administrative Facilities	<u>11,880,000</u>
Subtotal	\$1,028,505,600
Less Estimated Carryover Balance	<u>-17,478,600</u>
Requested Authorization	\$1,011,027,000
Total	\$1,300,213,600

*Although the bill would provide \$30,000,000 in bonding authority for this purpose, the administration indicates that the intent was to provide only the \$20,000,000 the Department requested to complete this project.

Joint Finance: The Joint Committee on Finance reduced the total bond authorization by \$450,000,000, relative to the Governor's bill. The following table shows the bond authorization under the Joint Finance substitute amendment.

Transportation Fund-Supported, General Obligation Bonds	
Southeast Wisconsin Freeway Megaprojects	\$300,000,000
Freight Rail Preservation	29,800,000
St. Croix Crossing/Stillwater Bridge Project	20,000,000
Hoan Bridge/Lake Interchange Project	16,800,000
Harbor Assistance Program	<u>13,200,000</u>
Subtotal	\$379,800,000
General Fund-Supported, General Obligation Bonds	
Contingent Highway Bonding Authorization	\$175,000,000
Passenger Rail Development	<u>-43,000,000</u>
Subtotal	\$132,000,000
General Obligation Bonds, Debt Service Determined by Joint Committee on Finance	
Contingent Highway Bonding Authorization	\$175,000,000
Transportation Revenue Bonds	
Major Highway Development	\$169,012,200
Administrative Facilities	<u>11,880,000</u>
Subtotal	\$180,892,200
Less Estimated Carryover Balance	<u>-17,478,600</u>
Subtotal	\$163,413,600
Total Authorization	\$850,213,600

3. FEDERAL HIGHWAY FORMULA AID ALLOCATION

Governor: Reestimate federal highway formula aid at \$710,598,700 in 2015-16 and \$710,461,800 in 2016-17, which represents an increase of \$496,900 in 2015-16 and \$360,000 in 2016-17, relative to the 2014-15 appropriation base. Although the estimated aid amounts in 2015-17 are slightly more than the base year allocation, the actual amount of the state's federal highway aid in the coming biennium, and in future fiscal years, remains uncertain. Federal highway trust fund collections have been and continue to be below annual program outlays. In August, 2014, Congress transferred \$9.7 billion from the federal general fund to the federal highway trust fund, ensuring the fund's solvency through May 31, 2015. However, it is unclear if additional transfers or other measures to address the ongoing issue of the fund's solvency will be approved in the future.

Changes from the base year in the departmental management and operations and administration and planning appropriations reflect the following modifications: (a) transfer of \$397,900 annually associated with a proposed transfer of federally funded traffic counting positions from the administration and planning appropriation to the departmental management and operations appropriation; (b) standard budget adjustments to the departmental management and operations appropriation of \$334,200 in 2015-16 and \$197,300 in 2016-17; (c) standard budget adjustments to the administration and planning appropriation of \$62,700 annually; and

(d) a reallocation of \$100,000 in the administration and planning appropriation from a nonhighway allocation to highway formula aid. The following table shows the change to the appropriation base recommended by the Governor and the resulting distribution of federal highway formula aid.

<u>Appropriation</u>	Appropriation Base	Change to Base		Governor Totals	
		<u>2015-16</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2016-17</u>
State Highway Rehabilitation*	\$418,215,400	\$0	\$0	\$418,215,400	\$418,215,400
Southeast Freeway Megaprojects	78,053,100	0	0	78,053,100	78,053,100
Major Highway Development	78,263,500	0	0	78,263,500	78,263,500
Highway System Mgmt. and Ops.	1,102,500	0	0	1,102,500	1,102,500
Departmental Mgmt. and Ops.*	13,005,100	732,100	595,200	13,737,200	13,600,300
Administration and Planning*	3,754,500	-235,200	-235,200	3,519,300	3,519,300
Local Transportation Facility Improvement Assistance	72,238,000	0	0	72,238,000	72,238,000
Local Bridge Improvement	24,409,600	0	0	24,409,600	24,409,600
Railroad Crossing Improvements	3,291,800	0	0	3,291,800	3,291,800
Transportation Alternatives	7,049,300	0	0	7,049,300	7,049,300
Congestion Mitigation/ Air Quality Improvement	<u>10,719,000</u>	<u>0</u>	<u>0</u>	<u>10,719,000</u>	<u>10,719,000</u>
Total	\$710,101,800	\$496,900	\$360,000	\$710,598,700	\$710,461,800

*These appropriations also receive federal aid from nonhighway allocations.

Joint Finance: Estimate federal highway aid at the same level as the Governor, but reallocate \$78,053,100 in 2016-17 from southeast freeway megaprojects to state highway rehabilitation (\$48,838,900) and major highway development (\$29,214,200).

4. USE OF REVENUES FROM OTHER FUNDS TO SUPPORT TRANSPORTATION PROGRAMS

Governor: Under the bill, revenue from the general fund and the petroleum inspection fund would be used to support transportation programs. The table below shows these provisions, separated by ongoing, current law transfers and proposed changes. The only proposed change is a transfer of \$21,000,000 annually from the petroleum inspection fund.

	<u>2015-16</u>	<u>2016-17</u>	<u>Biennial Total</u>
Current Law			
<i>General Fund</i>			
0.25% Transfer of General Fund Taxes	\$37,976,900	\$39,568,000	\$77,544,900
Road Damage Aid Transfer*	0	6,500,000	6,500,000
<i>Petroleum Inspection Fund</i>			
Ongoing Appropriation Transfer	<u>6,258,500</u>	<u>6,258,500</u>	<u>12,517,000</u>
Subtotal, Current Law Transfers	\$44,235,400	\$52,326,500	\$96,561,900
Bill Changes			
<i>Petroleum Inspection Fund</i>			
One-Time Revenue Transfer	\$21,000,000	\$21,000,000	\$42,000,000
Total			
General Fund	\$37,976,900	\$46,068,000	\$84,044,900
Petroleum Inspection Fund	<u>27,258,500</u>	<u>27,258,500</u>	<u>54,517,000</u>
Both Funds	\$65,235,400	\$73,326,500	\$138,561,900

*Reflects estimated transfer under the current law, sum sufficient appropriation.

Joint Finance: The current law transfer of 0.25% of general fund taxes is reestimated at \$38,009,600 in 2015-16 and \$39,458,300 in 2016-17 to reflect changes affecting general fund taxes. In addition, debt service on \$175,000,000 in contingent bonding authority, if approved by the Joint Committee on Finance, would be paid from the general fund, and debt service on a second \$175,000,000 in such authority, if approved by the Committee, could be paid from the general fund if the Committee so chooses.

5. PETROLEUM INSPECTION FUND TRANSFER TO THE TRANSPORTATION FUND

SEG-Transfer	\$42,000,000
SEG-REV	\$42,000,000

Governor/Joint Finance: Transfer \$21,000,000 annually from the petroleum inspection fund to the transportation fund during the 2015-17 biennium. This transfer would be in addition to the existing appropriation from the petroleum inspection fund to the transportation fund (\$6,258,500 in base funding). As a result, the total estimated petroleum inspection fund revenues provided to the transportation fund would be \$27,258,500 annually (compared to total ongoing and one-time transfers of \$22,258,500 annually in the 2013-15 biennium).

6. TRANSPORTATION REVENUE BOND AUTHORIZATION

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
BR	\$1,011,027,000	- \$847,613,400	\$163,413,600

Governor: Provide increased revenue bond authority of \$1,011,027,000, based on the bill's proposed use of bonds for major highway development projects (\$312,265,900 annually), southeast Wisconsin freeway megaprojects (\$292,646,900 in 2015-16 and \$99,446,900 in 2016-17), and administrative facility construction projects (\$5,940,000 annually), less the estimated transportation revenue bond authorization carryover balance from the 2013-15 biennium of \$17,478,600.

Joint Finance: Decrease revenue bond authority by \$847,613,400 to reflect a reduction in the use of bonds for major highway development projects (-\$209,902,700 in 2015-16 and -\$245,616,900 in 2016-17) and a deletion of the use of bonds for southeast Wisconsin freeway megaprojects (-\$292,646,900 in 2015-16 and -\$99,446,900 in 2016-17).

7. TRANSPORTATION REVENUE BOND DEBT SERVICE REESTIMATE [LFB Papers 630 and 631]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG-REV	-\$81,403,600	\$96,476,800	\$15,073,200

Governor: Decrease estimated net transportation fund revenue by \$21,175,100 in 2015-16 and \$60,228,500 in 2016-17 to reflect increases in the amount of vehicle registration revenue needed to pay principal and interest on transportation revenue bonds. Revenue bond debt service is paid from vehicle registration revenue prior to that revenue being deposited in the transportation fund. Consequently, debt service payments are considered negative revenue rather than a transportation fund expenditure. Total transportation revenue bond debt service in 2014-15 is estimated at \$236,978,700, an amount that is projected to increase under the bill to \$258,153,800 in 2015-16 and \$297,207,200 in 2016-17.

Joint Finance: Increase estimated transportation fund revenue by \$29,998,200 in 2015-16 and \$66,478,600 as follows: (a) \$16,052,400 in 2015-16 and \$20,848,200 in 2016-17 associated with a reestimate of debt service to reflect changes in the expected issuance of the bonds and the true financing costs of the debt after factoring in bond premium proceeds being used in lieu of borrowing; (b) \$8,121,000 in 2015-16 and \$23,725,000 in 2016-17 to reflect the deletion of \$392,093,800 in transportation revenue bonding for the southeast Wisconsin freeway megaprojects program; and (c) \$5,824,800 in 2015-16 and \$21,855,400 in 2016-17 associated with the deletion of \$455,519,600 in transportation revenue bonding for the major highway development program.

8. PLEDGE OF MOTOR VEHICLE FUEL TAX REVENUES FOR PAYMENT OF REVENUE BOND DEBT SERVICE

Governor: Modify the Department's authority under the transportation revenue bond program by authorizing the Department to deposit the revenue derived from 50% of the state's motor vehicle fuel tax revenues in a separate and distinct special fund outside the state treasury.

Specify that the revenues would be deposited to the same account currently maintained by a trustee for the purposes of the repayment of transportation revenue bonds. The remaining motor vehicle fuel tax revenues would continue to be deposited directly to the transportation fund. Also, as directed under current law for existing pledged revenues, any pledged revenues from the motor vehicle fuel tax in excess of the annual debt service amounts on transportation revenue bonds would be transferred to the transportation fund at least twice a year and would be free of any further pledge. The administration indicates that while these motor vehicle fuel tax revenues would be pledged to the transportation revenue bond program, existing pledged revenues from the registration fees would be sufficient to cover debt service costs under the program, and that the pledged motor vehicle fuel tax revenues would not have to be initially deposited with the revenue bond program trustee.

This authority would be provided in addition to the Department's current law authority to pledge the revenue derived from various registration and titling fees for the repayment of transportation revenue bonds and would be governed by the same statutory provisions.

Specify that the Department of Revenue could no longer allocate any motor vehicle fuel tax revenues to pay contracts to entities for the collection of delinquent taxes.

Joint Finance: Delete provision.

9. TRANSPORTATION FUND-SUPPORTED, GENERAL OBLIGATION BOND DEBT SERVICE REESTIMATE -- SOUTHEAST WISCONSIN FREEWAY AND HIGH-COST BRIDGE PROJECTS [LFB Papers 630, 650, and 653]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$18,729,200	- \$2,648,500	\$16,080,700

Governor: Increase funding by \$9,869,900 in 2015-16 and \$8,859,300 in 2016-17 to reflect a reestimate of debt service on existing transportation fund-supported, general obligation bonds authorized for southeast Wisconsin freeway reconstruction and high-cost bridge projects. With this reestimate, debt service on these previously-authorized bonds would be \$74,052,000 in 2015-16 and \$73,041,400 in 2016-17. The bill would provide an additional \$16,800,000 in SEG-supported bonds for completion of the Hoan Bridge/Lake Interchange rehabilitation project (which would be repaid through the same debt service appropriation). The increased debt service associated with the additional bonds that would be authorized for this project is reflected in a separate entry.

Joint Finance: Decrease funding by \$1,152,900 in 2015-16 and \$1,495,600 in 2016-17 to reflect a reestimate of transportation fund-supported debt service to reflect changes in the expected issuance of the bonds and the true financing costs of the debt after factoring in bond premium proceeds being used in lieu of borrowing.

10. TRANSPORTATION FUND-SUPPORTED, GENERAL OBLIGATION BOND DEBT SERVICE REESTIMATE -- OTHER PROJECTS [LFB Papers 645, 651, and 652]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$34,547,600	- \$2,456,500	\$32,091,100

Governor: Increase funding by \$15,205,200 in 2015-16 and \$19,342,400 in 2016-17 to reflect a reestimate of debt service payments on existing transportation fund-supported, general obligation bonds authorized for state highway rehabilitation, major highway development, major interstate bridges, freight rail, and harbor improvement. With this reestimate, debt service on these existing bonds would total \$49,692,600 in 2015-16 and \$53,829,800 in 2016-17. Although paid from the same debt service appropriation, the increased debt service associated with the additional bonds that would be authorized for state highway rehabilitation projects (\$242,386,600), freight rail preservation (\$43,000,000), and the completion of the St. Croix Crossing/Stillwater Bridge project (the \$20,000,000 intended amount) is reflected in separate entries for each purpose.

Joint Finance: Decrease funding by \$1,064,200 in 2015-16 and \$1,392,300 to reflect a reestimate of transportation fund-supported debt service to reflect changes in the expected issuance of the bonds and the true financing costs of the debt after factoring in bond premium proceeds being used in lieu of borrowing.

11. GENERAL FUND-SUPPORTED, GENERAL OBLIGATION BOND DEBT SERVICE REESTIMATE [LFB Paper 175]

GPR	- \$42,601,500
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Governor/Joint Finance: Decrease funding by \$12,885,800 in 2015-16 and \$29,715,700 in 2016-17 to reflect a reestimate of debt service payments on existing general fund-supported, general obligation bonds authorized for state highway projects in previous biennia. With this reestimate, total debt service on these bonds would be \$123,394,800 in 2015-16 and \$106,564,900 in 2016-17. No additional general fund-supported, general obligation bonds for transportation-related purposes would be authorized under the bill.

12. STUDY OF METHODS FOR IMPROVING THE TRANSPORTATION FUND'S SOLVENCY.

SEG	\$1,000,000
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Joint Finance: Provide \$300,000 in 2015-16 and \$700,000 in 2016-17 in the departmental management and operations appropriation to be used by the Department to study methods of improving the transportation fund's solvency. Require the Department to submit a report to the Joint Committee on Finance by January 1, 2017, detailing the use of these funds, describing the study or studies, including any results and conclusions, and making recommendations regarding any related statutory modifications that would be needed to improve the fund's solvency.

Local Transportation Aid

1. GENERAL TRANSPORTATION AIDS [LFB Paper 640]

SEG	\$18,033,000
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Governor/Joint Finance: Provide the following related to the general transportation aids program:

a. *County Aid.* Increase funding by \$2,838,400 annually to fully fund the 4% calendar year 2015 increase provided in 2013 Act 20. The calendar year distribution would remain at the 2015 level (\$98,400,200) for calendar years 2016 and 2017 and thereafter.

b. *Municipal Aid.* Increase funding by \$6,178,100 annually to fully fund the 4% calendar year 2015 increase provided in 2013 Act 20. The calendar year distribution would remain at the 2015 level (\$321,260,500) for calendar years 2016 and 2017 and thereafter. The mileage aid rate (\$2,202 per mile) would also remain at the calendar year 2015 level for calendar years 2016 and 2017 and thereafter.

2. CORRECTION OF GENERAL TRANSPORTATION AID PAYMENTS

SEG	\$193,500
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Joint Finance: Make the following changes related to the correction of general transportation aid payments:

a. Require the Department to make an aid payment of \$24,800 in 2015-16 to the Town of Kendall in Lafayette County, notwithstanding the statutory requirements of the general transportation aid program related to eligibility or aid amount. Specify that the funds would be provided from the existing sum sufficient appropriation that funds corrections to transportation aid payments made by the Department. This would increase the 2015 aid payment to the Town, which is \$24,800 lower than it otherwise would have been due to an error in the Town's reporting of its costs used in the calculation of its aid payments.

b. Require the Department to make an aid payment of \$168,700 in 2015-16 to the Village of Lake Hallie in Chippewa County, notwithstanding the statutory requirements of the general transportation aid program related to eligibility or aid amount. Specify that the funds would be provided from the existing sum sufficient appropriation that funds corrections to transportation aid payments made by the Department. This would restore aid in 2015 to offset a \$0 aid payment to the Village in 2014 that resulted from an erroneous inclusion of revenues received in the jurisdictional transfer of road miles related to the USH 53 bypass in the calculation of aid payments.

c. Create an appeals process within the general transportation aid program, such that any county or municipality that believes that information used to calculate the aid payment to the county or municipality was reported in error may submit to the Department a request that the information be corrected and the correct aid amount be paid. Require the Department to

promulgate administrative rules establishing submission requirements and arbitration procedures for appeals. Specify that any correction payments made as a result of this process would be made from the existing, sum sufficient corrections of transportation aid payments appropriation.

3. MASS TRANSIT OPERATING ASSISTANCE [LFB Paper 641]

SEG	\$6,388,600
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Governor/Joint Finance: Provide \$3,194,300 annually to fully fund the 4% calendar year 2015 increase in mass transit operating assistance provided in 2013 Act 20. This funding would be distributed as follows: (a) \$1,851,700 annually for Tier A-1 (Milwaukee); (b) \$486,600 annually for Tier A-2 (Madison); (c) \$706,300 annually for Tier B systems; and (d) \$149,700 annually for Tier C systems. The calendar year distribution amounts for each tier of systems would remain the same for 2015 and thereafter.

4. TRANSIT SAFETY OVERSIGHT PROGRAM [LFB Paper 642]

SEG	\$144,300
FED	<u>577,500</u>
Total	\$721,800

Governor: Create a transit safety oversight program funded with \$71,600 SEG and \$286,600 FED in 2015-16 and \$72,700 SEG and \$290,900 FED in 2016-17. Provide the Department the authority to administer the program and with oversight, enforcement, investigative, and audit authority over all safety aspects of any fixed guideway transit systems in the state. Define a fixed guideway transit system under this program as a public transportation system being designed, engineered, constructed, or operated that is intended to operate upon a fixed guideway, including a railway, and that is not subject to regulation by the Federal Railroad Administration. Create continuing SEG and FED appropriations to provide the program funding. The FED amounts reflect anticipated federal funding for this purpose while the SEG amounts represent the required state match.

The program and funding would be provided to meet the federal requirement that each state with a fixed guideway system in operation or in the engineering/construction stage must establish a state safety oversight agency (SSOA). Wisconsin has one fixed guideway system in operation, the 1.9-mile Kenosha area streetcar system, and one system in the engineering stage, the Milwaukee streetcar project. The federal surface transportation authorization act, Moving Ahead for Progress in the 21st Century (MAP-21), requires the state to establish an SSOA with the authority to enforce, investigate, and audit safety plans of any fixed guideway system. MAP-21 also requires that the SSOA have adequate staffing, and that staff have sufficient training and the proper Federal Transit Administration certifications. Failure to meet these federal requirements would result in the loss of the state's federal transit funding (currently about \$78 million).

Joint Finance: Modify the references to a "fixed guideway transit system" under the proposed transit safety oversight program created under the bill to refer instead to a "rail fixed guideway transportation system," to coincide with the federal term.

5. MILWAUKEE COUNTY AND PROVISION OF SERVICES OR FUNDS FOR A RAIL FIXED-GUIDEWAY TRANSIT SYSTEM

Joint Finance: Specify that a county containing a first class city could not incur any direct or indirect expenses, including the forfeiture of any revenue, relating to the operation or accommodation of a rail fixed-guideway transit system in the first class city, unless the expense incurred or the revenue lost would be fully reimbursed by the first class city.

6. ELDERLY AND DISABLED COUNTY ASSISTANCE

SEG	\$437,600
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Governor/Joint Finance: Provide \$145,400 in 2015-16 and \$292,200 in 2016-17 for county assistance in the provision of elderly and disabled specialized transportation services. Total state funding for county assistance would equal \$13,768,800 in 2015-16 and \$13,915,600 in 2016-17. This would provide a 1% annual increase based on the combined SEG funding for county assistance and capital aids, but would provide the total increase in the appropriation for county assistance.

7. ELDERLY AND DISABLED CAPITAL ASSISTANCE PROGRAM MODIFICATIONS [LFB Paper 643]

Governor: Modify the existing capital assistance appropriation and program to allow the program funding to be used for any specialized transit costs, including operating costs, and rename the existing capital assistance program for specialized transportation as the specialized transportation program. Rename the state-funded "elderly and disabled capital aids appropriation" the "seniors and individuals with disabilities specialized transportation aids appropriation" to reflect the modified program.

Modify various statutory references to elderly (defined as any individual age 55 or older) and disabled persons under the capital assistance program to refer instead to seniors (defined as any individual age 65 or older) and individuals with disabilities (defined the same as disabled persons under current law). The change in the age group would make the state program correspond to the federal capital assistance program and the state county assistance program.

Delete the current law requirement that an eligible applicant must be a private, nonprofit organization or, under certain circumstances, a local public body. Rather, specify that an eligible applicant could be any applicant that is eligible for federal assistance under Federal Transit Administration's (FTA's) formula grant program for the enhanced mobility of seniors and individuals with disabilities. Current state law mirrors these federal provisions. By repealing the state law and referring only to federal law, the state program would automatically pick up any future change to the definition of eligible applicant under federal law.

Specify that the Department would continue to be required to review applications for aid and establish an application cycle, but would not have to review applications annually or have an annual application cycle. In addition to state aid, allow the Department to consider any federal aid available in funding the highest ranked capital assistance applications. Delete the current

law requirements that the sum of state and federal aid for an eligible applicant cannot exceed: (a) the percentage, specified by the Department by rule, of the estimated capital project costs; or (b) for the specific type or category of capital equipment for which aid is paid, the percentage of the estimated capital costs that are eligible for federal aid. Rather, specify that the sum of state and federal aid for an eligible applicant cannot exceed the funding limitations under the FTA's formula grant program for the enhanced mobility of seniors and individuals with disabilities. This change would also tie state law directly to federal law so that future federal law changes automatically are included in the state program.

Modify statutory references to elderly and/or disabled persons under state school bus insurance requirements and the definitions of humans service vehicle and school bus in general statutory provisions relating to the regulation of vehicles to refer instead to individuals with disabilities or seniors as defined under the proposed specialized transportation program.

Joint Finance: Modify the references to elderly and disabled in the county aids, federal capital assistance, and local capital assistance appropriations, as well as the program statutes, to refer instead to seniors and individuals with disabilities.

Local Transportation Assistance

1. FREIGHT RAIL PRESERVATION BONDING

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
BR	\$43,000,000	- \$13,200,000	\$29,800,000
SEG	<u>333,800</u>	<u>-144,300</u>	<u>189,500</u>
Total	\$43,333,800	- \$13,344,300	\$29,989,500

Governor: Provide \$43,000,000 in transportation fund-supported, general obligation bond authorization for the freight rail preservation program. Provide an increase in funding of \$333,800 SEG in 2016-17 to reflect estimated debt service on these bonds. The bonds authorized for this program may be used to acquire abandoned railroad lines or make improvements on lines already owned by the state to upgrade them to modern freight rail standards. The amount of bonds recommended would be \$9,000,000 lower than the amount provided in the 2013-15 biennium.

Joint Finance: Decrease transportation fund-supported bond authorization by \$13,200,000 and decrease debt service associated with the bonds as follows: (a) \$60,400 in 2016-17 to reflect changes in the expected issuance of the bonds and the true financing costs of the debt after factoring in bond premium proceeds being used in lieu of borrowing; and (b) \$83,900 in 2016-17 associated with the decrease in bonding.

**2. FREIGHT RAIL PRESERVATION SEGREGATED AP-
PROPRIATION**

SEG	\$5,200,000
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Governor: Create a continuing, SEG appropriation from the transportation fund to acquire railroad property and to provide grants or loans for railroad property acquisitions and improvements under the Department's freight rail preservation program. Under current law, the state contracts general obligation debt for the Department for these purposes. Although the bill would create a SEG appropriation for these purposes, no funding would be provided in this appropriation.

Joint Finance: Provide \$5,200,000 in 2015-16 for the freight rail preservation program.

**3. FREIGHT RAIL INFRASTRUCTURE IMPROVEMENT
PROGRAM**

SEG-Lapse	\$5,200,000
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Joint Finance: Lapse \$5,200,000 in 2015-16 from the freight rail infrastructure improvement revolving loan fund balance to the transportation fund. The freight rail infrastructure improvement program provides low- or no-interest loans from a revolving fund to railroads, shippers, or local governments to perform a variety of capital improvements related to freight rail service. According to the Department, the revolving loan fund currently has a balance of \$20.3 million, with applications for another \$4.1 million in loans for the current funding cycle, which, if funded, would result in an \$11.0 million balance after the required lapse

4. PEDESTRIANS CROSSING RAILROADS

Joint Finance: Include any person walking directly across the tracks or right-of-way of any railroad in the list of allowable activities to which the current law prohibition against persons walking, loitering, or being upon, or along, the track of any railroad would not apply. As a result, this activity would not be considered trespassing and could not be prevented by the railroad.

5. RAIL PROPERTY EXEMPTION FROM LOCAL SPECIAL ASSESSMENT

Governor/Joint Finance: Exempt rail property acquired or held under the Department's freight rail service preservation and improvement program from municipal special assessments for improvements relating to public properties. Currently, all state property is subject to special assessments, except that held for highway right-of-way purposes or that purchased by the state under the acquisition of abandoned rail property program. Specify that land acquired or held under the freight rail service preservation and improvement and acquisition of abandoned rail property programs would be excluded from the definition of state facilities for purposes of payments for municipal services. Currently, land held for highway right-of-way purposes is excluded from this definition.

6. PASSENGER RAIL BONDING

BR	- \$43,000,000
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Governor/Joint Finance: Decrease general fund-supported bonding authority for passenger rail service and route development by \$43,000,000, from the existing authorization of \$122,000,000 to \$79,000,000. Because the bonds were not likely to be issued for passenger rail projects in the biennium, no change in GPR debt service associated with this decrease in bonding authority is estimated.

Under current law, the Joint Committee on Finance must approve any release of passenger rail bonding for eligible projects. To date, the Committee has approved the release of all but \$43,095,700 of the bonding for specific passenger rail projects. The \$122,000,000 in general fund-supported passenger rail bonding was authorized as follows: (a) \$50,000,000 in the 1993-95 biennium; (b) \$32,000,000 in the 2007-09 biennium; and (c) \$40,000,000 in the 2009-11 biennium. The authorized bonding can be issued to fund capital costs related to Amtrak service extension routes or other rail service routes between the cities of: Milwaukee and Green Bay; Milwaukee and Madison; Milwaukee and Chicago; Madison and Eau Claire; and Madison and La Crosse. Up to \$10,000,000 can also be used to fund railroad track and passenger station improvements related to the extension of Amtrak service or commuter rail service between Milwaukee and Waukesha, or for any passenger station improvements related to any existing passenger rail service.

7. MILWAUKEE TRAIN STATION OPERATIONS AND MAINTENANCE

SEG	\$1,296,400
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Governor/Joint Finance: Provide \$432,100 in 2015-16 and \$864,300 in 2016-17 to support operations and maintenance costs associated with the passenger concourse at the Milwaukee Intermodal Station (which is currently undergoing renovations). The passenger concourse is open 24 hours per day, seven days per week, and serves over 1.3 million passengers per year. Renovations of the concourse are scheduled for completion in December, 2015.

Deposit to the transportation fund all fees received from sponsorship agreements under which the Department displays information associated with a sponsor at a passenger railroad station. No estimate of the revenues to be deposited to the transportation fund associated with these sponsorships fees is included under the bill. Currently, all revenues associated with sponsorship fees collected by the Department are deposited to a program revenue appropriation for highway system management and operations and routine maintenance of state trunk highways. The Department has authority to enter into sponsorship agreements where the Department displays advertising, promotional, or sponsorship material, or other information, associated with the sponsor at locations owned or controlled by the Department. In exchange, the sponsors pay fees to the Department. Sponsorship agreements may also include sponsor recognition placed on Department documents, highway maps, the Department's Internet site or vehicles, and equipment owned or controlled by the Department.

8. TRANSPORTATION FACILITIES ECONOMIC ASSISTANCE AND DEVELOPMENT PROGRAM [LFB Paper 646]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$4,000,000	- \$4,000,000	\$0

Governor: Provide \$2,000,000 annually for the transportation facilities economic assistance and development (TEA) program, which provides grants to local governments for transportation infrastructure improvements related to local economic development projects. Specify that the state's maximum cost share percentage on a TEA program grant would be increased from 50% to 80%, with a corresponding reduction to the minimum local share from 50% to 20%. Modify the process used to establish a maximum grant ceiling and the Department's authority to reduce this ceiling to reflect the increased allowable state share for a project. As modified, the maximum grant ceiling would equal the lesser of 80% of the cost of an improvement or \$5,000 per job, but DOT could reduce this ceiling if 80% of the improvement cost would result in a grant exceeding \$1,000,000. TEA grants are for improvements and expansions of transportation infrastructure and are intended to facilitate new employment, retain jobs, and lead to private investment in the state's economy. Road, rail, harbor, and airport projects are eligible to receive grants through the program. In its budget request, the Department indicated the additional funding would fund the modification to the state cost share percentage and anticipated greater demand for program grants due to this change. Annual grant funding would increase from \$3,402,600 to \$5,402,600.

Joint Finance: Delete provision.

9. TRANSPORTATION ALTERNATIVES PROGRAM [LFB Paper 647]

SEG	- \$2,000,000
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Governor/Joint Finance: Delete \$1,000,000 annually to eliminate state funding for the transportation alternatives program (TAP). Under current law, state funding for the program can only be used for bicycle and pedestrian projects. Base level federal funding of \$7,049,300 annually would remain for the program. Federal TAP funds support a broad range of transportation-related activities, including construction and planning of nontraditional transportation improvements such as on-road and off-road bicycle, nonmotorized vehicle, and pedestrian facilities. A state or local match is typically required for use of federal funds (generally equal to 20% of project costs). However, because the Department currently requires project sponsors to fund the entire 20% match under this federal aid category, and no state funding is used to meet the required match, no change to the percent of project costs paid by local governments would be anticipated.

10. HARBOR ASSISTANCE PROGRAM. [LFB Paper 648]

BR	\$13,200,000
SEG	<u>384,000</u>
Total	\$13,584,000

Joint Finance: Authorize \$13,200,000 in transportation fund-

supported, general obligation bonds for the harbor assistance program (which would provide total program resources of \$14,187,600 in the biennium when combined with base year funding of \$493,800 SEG annually). Increase estimated debt service related to the issuance of bonds for the harbor assistance program by \$384,000 SEG in 2016-17. Require the Department to provide a harbor assistance grant during 2015-16 to the City of Kewaunee in Kewaunee County for harbor infrastructure improvements and repair and restoration of harbor facilities, notwithstanding the eligibility and match requirements for the program. Specify that the amount of the grant shall be \$4,220,000 or the total cost of the project, whichever is less.

11. LOCAL ROADS IMPROVEMENT PROGRAM -- USE OF TRIBAL GOVERNMENT FUNDS FOR LOCAL MATCH.

Joint Finance: Specify that the minimum, 50% local match required of local governments under the local roads improvement program could be provided by federally recognized American Indian tribes or bands in this state using tribal funds. Require the Department to modify the program's administrative rules such that any source of tribal funds, to the extent allowed under federal law, may be used to meet this program's local match requirements.

12. FUNDING FOR REPLACEMENT OF YOUNG ROAD BRIDGE IN THE TOWN OF SENECA IN WOOD COUNTY

Joint Finance: Require that the Department, notwithstanding the eligibility requirements for receiving aid or the limitations on the amount and use of aid under the local bridge improvement assistance program, provide a grant in 2015-16 from the SEG appropriation for the program to the Town of Seneca in Wood County for the replacement of Young Road Bridge, equal to the Town's share of the total project costs or \$85,000, whichever is less.

State Highway Program

1. STATE HIGHWAY IMPROVEMENT PROGRAM SUMMARY

Governor: The following tables compare total funding for state highway improvement programs in 2014-15 with proposed funding for those programs in the 2015-17 biennium. Since the highway improvement program relies on both current revenues (SEG and FED) and bond proceeds to fund program activity, both tables show the 2014-15 SEG and FED appropriation base, plus the amount of bonding that was allocated during 2014-15. The tables include two types of bonding: (a) general obligation bonds with GPR debt service; and (b) transportation revenue bonds. The first table breaks down the total funding for the improvement programs by current revenues (SEG/FED) and bonding, and shows the proposed change compared to the base year funding doubled, while the second table shows funding for the five individual programs. The bonding amounts for the major interstate bridge construction program reflect the

\$20,000,000 that the administration intended to provide for this program, rather than the \$30,000,000 actually included in the bill.

Highway Improvement Program Summary

	2014-15 Base Plus Bonding	<u>Governor's Recommendation</u>		<u>Change to Base Plus Bonds Doubled</u>	
		<u>2015-16</u>	<u>2016-17</u>	<u>Amount</u>	<u>%</u>
SEG/FED	\$1,059,092,700	\$910,117,800	\$904,826,600	-\$303,241,000	-14.3%
Bonds	<u>402,316,000</u>	<u>756,260,500</u>	<u>539,551,700</u>	<u>491,180,200</u>	61.0
Total	\$1,461,408,700	\$1,666,378,300	\$1,444,378,300	\$187,939,200	6.4%

Highway Improvement Funding Under the Governor's Recommendations

	2014-15 Base Plus Bonding	<u>Governor</u>	
		<u>2015-16</u>	<u>2016-17</u>
State Highway Rehabilitation			
SEG	\$388,216,700	\$269,669,000	\$264,377,800
FED	419,132,200	419,132,200	419,132,200
General Obligation Bonds (SEG)	<u>0</u>	<u>118,547,700</u>	<u>123,838,900</u>
Total	\$807,348,900	\$807,348,900	\$807,348,900
Major Highway Development			
SEG	\$87,375,000	\$27,500,000	\$27,500,000
FED	78,263,500	78,263,500	78,263,500
Trans. Revenue Bonds	<u>202,316,000</u>	<u>312,265,900</u>	<u>312,265,900</u>
Total	\$367,954,500	\$418,029,400	\$418,029,400
SE Wis. Freeway Megaprojects			
SEG	\$8,052,200	\$37,500,000	\$37,500,000
FED	78,053,100	78,053,100	78,053,100
Trans. Revenue Bonds	0	292,646,900	99,446,900
General Obligation Bonds (GPR)	<u>200,000,000</u>	<u>0</u>	<u>0</u>
Total	\$286,105,300	\$408,200,000	\$215,000,000
High-Cost Bridge			
General Obligation Bonds (SEG)	\$0	\$15,800,000	\$1,000,000
Major Interstate Bridge Construction			
General Obligation Bonds (SEG)	<u>\$0</u>	<u>\$17,000,000</u>	<u>\$3,000,000</u>
Improvement Program Total	\$1,461,408,700	\$1,666,378,300	\$1,444,378,300

Joint Finance: The following tables show the total funding for highway improvement programs under the Joint Committee on Finance substitute amendment. Compared to the Governor's bill, the substitute amendment would reduce funding by a total of \$233,454,400 in 2015-16 and \$425,630,600 in 2016-17. However, the Committee's substitute amendment would

provide up to \$350,000,000 in contingent bonding authority for use in two state highway programs. At the Committee's discretion, and subject to certain restrictions, these bonds may be used to restore funding to the major highway development program and the state highway rehabilitation program in 2015-17. [See the entry in this section on "Contingent Highway Bonding Authorization" for additional information.]

Joint Finance Substitute Amendment Highway Improvement Program Summary*

	2014-15 Base Plus Bonding	Joint Finance		Change to Base Plus Bonds Doubled	
		2015-16	2016-17	Amount	%
SEG/FED Bonds	\$1,059,092,700 <u>402,316,000</u>	\$997,760,700 <u>435,163,200</u>	\$948,098,700 <u>70,649,000</u>	-\$172,326,000 <u>-298,819,800</u>	-8.1% -37.1
Total	\$1,461,408,700	\$1,432,923,900	\$1,018,747,700	-\$471,145,800	-16.1%

*The amounts in the table do not include the \$350,000,000 in contingent highway bonding authorization.

**Highway Improvement Funding
Under Joint Finance Substitute Amendment***

	2014-15 Base Plus Bonding	Joint Finance	
		2015-16	2016-17
State Highway Rehabilitation			
SEG	\$388,216,700	\$337,991,700	\$289,302,800
FED	<u>419,132,200</u>	<u>419,132,200</u>	<u>467,971,100</u>
Total	\$807,348,900	\$757,123,900	\$757,273,900
Major Highway Development			
SEG	\$87,375,000	\$62,773,300	\$68,347,100
FED	78,263,500	78,263,500	107,477,700
Trans. Revenue Bonds	<u>202,316,000</u>	<u>102,363,200</u>	<u>66,649,000</u>
Total	\$367,954,500	\$243,400,000	\$242,473,800
SE Wis. Freeway Megaprojects			
SEG	\$8,052,200	\$21,546,900	\$15,000,000
FED	78,053,100	78,053,100	0
General Obligation Bonds (SEG)	0	300,000,000	0
General Obligation Bonds (GPR)	<u>200,000,000</u>	<u>0</u>	<u>0</u>
Total	\$286,105,300	\$399,600,000	\$15,000,000
High-Cost Bridge			
General Obligation Bonds (SEG)	\$0	\$15,800,000	\$1,000,000
Major Interstate Bridge Construction			
General Obligation Bonds (SEG)	<u>\$0</u>	<u>\$17,000,000</u>	<u>\$3,000,000</u>
Improvement Program Total	\$1,461,408,700	\$1,432,923,900	\$1,018,747,700

*The amounts in the table do not include the \$350,000,000 in contingent highway bonding authorization.

2. SOUTHEAST WISCONSIN FREEWAY MEGAPROJECTS [LFB Paper 651]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$58,748,600	- \$8,633,100	\$50,115,500
SEG-S	392,093,800	- 392,093,800	0
FED	0	- 78,053,100	- 78,053,100
BR	0	300,000,000	300,000,000
Total	\$450,842,400	- \$178,780,000	\$272,062,400

Governor: Provide \$29,374,300 SEG annually for the southeast Wisconsin freeway megaprojects program. In addition, provide transportation revenue bond expenditure authority of \$292,646,900 SEG-S in 2015-16 and \$99,446,900 SEG-S in 2016-17 and create a SEG-S appropriation for this purpose. Amend other appropriations and statutory provisions related to the use of revenue bond funding to include southeast Wisconsin freeway megaprojects as an authorized use of these funds. Add the new SEG-S appropriation to the list of allowable funding sources for the megaprojects program.

A southeast Wisconsin freeway megaproject is defined as an improvement project with an estimated cost exceeding \$558,800,000 in 2014 dollars (indexed annually to the cost of construction inflation), and must be enumerated in the statutes prior to construction. Enumerate the I-94 East–West freeway project, which would be defined as the reconstruction of the I-94 freeway in Milwaukee County from 70th Street to 16th Street, including all interchanges. Currently, the Zoo Interchange and I-94 North-South freeway projects are the only such enumerated projects.

The total provided would be equal to the amount in the Department's budget request for work on the core of the Zoo Interchange project, which it indicated would allow the project to remain on schedule during the 2015-17 biennium. In the Executive Budget Book, the administration reports that this level of funding would delay completion of the I-94 North-South freeway project by one year.

The following table shows the total proposed funding for megaprojects under the bill (including base funding, standard budget adjustments of \$73,500 SEG annually, and the funding under this item). Since the megaprojects program relies on both current revenues (SEG and FED) plus bond proceeds in 2014-15, the table shows both types of funding.

<u>Fund</u>	<u>2014-15 Base Plus Bonding</u>	<u>Governor</u>	
		<u>2015-16</u>	<u>2016-17</u>
SEG	\$8,052,200	\$37,500,000	\$37,500,000
SEG-S (Revenue Bonds)	0	292,646,900	99,446,900
FED	78,053,100	78,053,100	78,053,100
General Obligation Bonds (GPR-Supported)	<u>200,000,000</u>	<u>0</u>	<u>0</u>
Total	\$286,105,300	\$408,200,000	\$215,000,000

Joint Finance: Make the following modifications to the bill:

a. Modify funding for the program as follows: (a) delete \$15,953,100 SEG and \$292,646,900 SEG-S in 2015-16; (b) delete \$22,500,000 SEG, \$78,053,100 FED, and \$99,446,900 SEG-S in 2016-17; and (c) provide \$300,000,000 in transportation fund-supported, general obligation bonds, with expected use in 2015-16. With these changes, total funding would be reduced by \$8,600,000 in 2015-16 and \$200,000,000 in 2016-17, with remaining funding of \$399,600,000 in 2015-16 and \$15,000,000 in 2016-17. This would delete funding for work on the north leg of the Zoo Interchange, auxiliary lanes, and ancillary streets, while providing funding for the second phase of the core of the interchange.

Delete the Governor's recommendation to provide \$392,093,800 in transportation revenue bonding for this program and to create a new, SEG-S appropriation to expend the bond proceeds (the SEG-S reductions described above reflect this change). Increase estimated transportation fund revenues by \$8,121,000 in 2015-16 and \$23,725,000 in 2016-17 to reflect decreased debt service on transportation revenue bonds due to this change. The fiscal effects of the revenue bond changes are shown under "Transportation Finance." Increase estimated SEG debt service by \$8,325,000 in 2015-16 and \$21,495,000 in 2016-17 to reflect the use of general obligation bonds for this program.

b. Delete the Governor's recommendation to enumerate the I-94 East-West freeway project as a southeast Wisconsin freeway megaproject

c. Require the Department to add southeast Wisconsin freeway megaprojects to the biannual report produced by the Department for the major highway development program. Specify that the report include the same information as is provided for the major highway development program for the southeast Wisconsin freeway megaprojects program.

3. MAJOR HIGHWAY DEVELOPMENT PROGRAM [LFB Paper 651]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	- \$119,899,800	\$76,098,600	- \$43,801,200
SEG-S	219,899,800	- 455,519,600	- 235,619,800
FED	<u>0</u>	<u>29,421,000</u>	<u>29,421,000</u>
Total	\$100,000,000	- \$350,000,000	- \$250,000,000

Governor: Reduce funding by \$59,949,900 SEG annually and increase funding by \$109,949,900 SEG-S (transportation revenue bonds) annually for the major highway development program. This program provides for the development and construction of new or significantly altered highway projects, which are statutorily defined by certain cost and capacity thresholds. Generally, such projects must be enumerated by the Governor and the Legislature before the Department may begin their construction.

Relative to the base year funding, the amounts shown in the following table, which include standard budget adjustments of \$74,900 SEG annually, represent an increase of 13.6% in 2015-

16, with no additional increase for 2016-17.

<u>Fund</u>	<u>2014-15 Base</u>	<u>Governor</u>	
		<u>2015-16</u>	<u>2016-17</u>
SEG	\$87,375,000	\$27,500,000	\$27,500,000
SEG-S (Revenue Bonds)	202,316,000	312,265,900	312,265,900
FED	<u>78,263,500</u>	<u>78,263,500</u>	<u>78,263,500</u>
Total	\$367,954,500	\$418,029,400	\$418,029,400

Joint Finance: Modify funding for the programs follows: (a) provide \$34,799,300 SEG and \$103,400 FED and delete \$209,902,700 SEG-S in 2015-16; (b) provide \$41,299,300 SEG and \$29,317,600 FED and delete \$245,616,900 SEG-S in 2016-17; and (c) reduce transportation revenue bond authorization by \$455,519,600 to reflect the preceding SEG-S changes. Increase estimated transportation fund revenues by \$5,824,800 in 2015-16 and \$21,855,400 in 2016-17 to reflect decreased debt service on transportation revenue bonds due to the reduced bonding. The fiscal effects of the revenue bond changes are shown under "Transportation Finance." The net effect of these actions would reduce biennial funding to the program by \$350,000,000 (\$175,000,000 annually) from the level provided under the Governor's budget recommendations. Unless funding is restored through the use of contingent bonding authority, it is anticipated that major highway development projects would be delayed as shown in the table below.

**Anticipated Project Delays from \$175 Million
Annual Reduction to AB 21/SB 21**

<u>Highway</u>	<u>Project Segment</u>	<u>Counties</u>	<u>Completion Delay</u>
USH 10/441	Winnebago CTH CB to Oneida Street	Outagamie, Calumet, & Winnebago	Two Years
STH 15	STH 76 to New London	Outagamie	Two Years
USH 18/151	Verona Road/Madison Beltline	Dane	Two Years
STH 23	STH 67 to USH 41	Sheboygan & Fond du Lac	Two Years
I-39/90	Illinois State Line to USH 12/18	Dane & Rock	Two Years

4. MAJOR HIGHWAY DEVELOPMENT PROGRAM -- PROJECT ENUMERATION [LFB Paper 651]

Governor: Delete four projects (STH 16 and STH 67 in Jefferson and Waukesha counties, STH 110 in Winnebago County, USH 141 in Marinette and Oconto counties, and USH 151 in Fond du Lac County) from the list of enumerated major highway development projects, for which construction has been completed.

Joint Finance: Include provision. In addition, delete the following major highway project enumerations, as recommended by the Transportation Projects Commission: (a) the Beloit Bypass (STH 81/STH 213) project in Rock County, which has an estimated cost to complete of \$9.3 million; (b) the STH 38 project from Racine CTH K to Oakwood Road, in Milwaukee and

Racine counties, which has an estimated cost to complete of \$123.9 million; and (c) the USH 14 project from Viroqua to Westby in Vernon County for which the estimated remaining cost to complete is \$42.2 million.

5. ENVIRONMENTAL IMPACT STATEMENT FOR EAST ARTERIAL HIGHWAY AND BRIDGE IN WOOD COUNTY

SEG	\$822,000
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Joint Finance: Require the Department to begin an environmental impact statement (EIS) in the 2015-17 biennium for a major highway project involving a proposed east arterial highway running from the intersection of STH 54 and STH 73 in the Village of Port Edwards to the intersection of STH 54 and Wood County CTH W in the City of Wisconsin Rapids, including a new crossing of the Wisconsin River. Specify that the current law requirement that the Transportation Projects Commission provide prior approval of an EIS does not apply to this study. Provide \$822,000 in 2015-16 in the major highway development program appropriation for this purpose.

6. STATE HIGHWAY REHABILITATION [LFB Paper 652]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	-\$238,520,900	\$86,327,200	-\$152,193,700
FED	0	48,838,900	48,838,900
BR	<u>242,386,600</u>	<u>- 242,386,600</u>	<u>0</u>
Total	\$3,865,700	-\$107,220,500	-\$103,354,800

Governor: Reduce funding by \$120,300,100 SEG in 2015-16 and \$125,441,300 SEG in 2016-17 in the appropriation for state highway rehabilitation. Authorize \$242,386,600 in transportation fund-supported, general obligation bonds for the state highway rehabilitation program. It is anticipated that bonds would be used as follows: (a) \$118,547,700 in 2015-16; and (b) \$123,838,900 in 2016-17. Request an increase in funding of \$7,220,500 SEG in 2016-17 to reflect estimated debt service on these bonds. The purpose of the state highway rehabilitation program is to preserve and make limited improvements to the state highway system (including most state bridges), such as resurfacing, reconstruction, and reconditioning.

The following table shows the total 2015-17 funding for the program under the bill, including standard budget adjustments (\$1,527,400 SEG annually) and a separate item for the construction manager/general contractor pilot program (\$225,000 SEG in 2015-16 and \$75,000 SEG in 2016-17), relative to the 2014-15 appropriation base.

<u>Fund</u>	<u>2014-15 Base</u>	<u>Governor</u>	
		<u>2015-16</u>	<u>2016-17</u>
SEG	\$388,216,700	\$269,669,000	\$264,377,800
FED	419,132,200	419,132,200	419,132,200
SEG-Supported General Obligation Bonds	<u>0</u>	<u>118,547,700</u>	<u>123,838,900</u>
Total	\$807,348,900	\$807,348,900	\$807,348,900

Joint Finance: Modify funding for the program as follows: (a) provide \$68,547,700 SEG in 2015-16; (b) provide \$25,000,000 SEG and \$48,838,900 FED in 2016-17; and (c) delete the Governor's recommendation to authorize \$242,386,600 in transportation fund-supported, general obligation bonds for the program. Decrease estimated SEG debt service by \$7,220,500 in 2016-17 to reflect the deletion of general obligation bonds for this program. The net effect of these actions would decrease funding for the program by \$50,000,000 annually, unless additional funding is provided through the use of contingent bonding authority.

7. CONTINGENT HIGHWAY BONDING AUTHORIZATION

BR	\$350,000,000
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Joint Finance: Provide \$350,000,000 in general obligation bonding authorization that could be used for either major highway development or state highway rehabilitation projects, contingent upon the approval of the Joint Committee on Finance. Establish the following provisions related to the use of the bond authorization: (a) the approval process would be initiated by a request from DOT, followed by a 14-day passive review process; (b) debt service on the first \$175,000,000 in approved bonding would be paid from the general fund; (c) debt service on any subsequent approved bonding would be paid from either the general fund or the transportation fund, as determined by the Committee; (d) no more than \$200,000,000 could be approved by the Committee in 2015-16; (e) the total amount available for approval by the Committee would be reduced by the amount that actual transportation fund revenues in 2015-16 exceed the amounts projected in the budget, subject to a maximum reduction of \$150,000,000; and (f) the ability of the Committee to approve the use of this bonding would sunset on June 30, 2017.

Specify that the size of the reduction under "(e)," if any, would be determined by comparing the total annual transportation fund revenues for 2015-16 in the annual fiscal report for that year with the corresponding amount from the final fund condition statement for the biennial budget (\$1,661,562,400). Provide that if this calculation produces a reduction in the amount of contingent bonding that the Committee may approve, the Department may submit a request to the Committee, also under a 14-day passive review process, to supplement the SEG appropriations for either the major highway development or state highway rehabilitation programs, or both, by any combined amount up to the amount of the reduction in the amount of contingent bonding.

8. MAJOR INTERSTATE BRIDGE CONSTRUCTION [LFB Paper 653]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
BR	\$30,000,000	- \$10,000,000	\$20,000,000
SEG	<u>894,600</u>	<u>- 128,400</u>	<u>766,200</u>
Total	\$30,894,600	- \$10,128,400	\$20,766,200

Governor: Provide \$30,000,000 in transportation fund-supported, general obligation bond authorization to fund the completion of the St. Croix River bridge crossing between the states of Wisconsin and Minnesota, including associated approach work and the Wisconsin portion of a bicycle and pedestrian loop trail. The administration indicates that it will submit an erratum recommending the decrease of this authorization amount by \$10,000,000 to reflect the Department's budget request for this purpose. Request an increase in funding of \$894,600 SEG in 2016-17 to reflect estimated debt service for the level of bond authorization requested by the Department. In its budget request, the Department requested \$17,000,000 SEG in 2015-16 and \$3,000,000 SEG in 2016-17 for this purpose. In place of these SEG funds, it is anticipated that bonds would be used in the years and amounts specified in the Department's request. The project is managed by the Minnesota Department of Transportation, with costs shared between the two states. Each state is responsible for the cost of its own approaches to the bridge, while the costs associated with the bridge structure are shared equally. The new, four-lane bridge, will connect Houlton, Wisconsin, with Stillwater, Minnesota, replacing the 80-year old Stillwater lift bridge. The main work on the bridge is scheduled for completion in 2016, with all work to be completed in late 2017.

Joint Finance: Decrease the transportation fund-supported, general obligation bond authorization to fund the completion of the St. Croix River Crossing project by \$10,000,000 to reflect the amount actually needed to complete the project. In addition, reestimate debt service costs associated with the newly authorized bonding by -\$128,400 SEG to reflect changes in the expected issuance of the bonds and the true financing costs of the debt after factoring in bond premium proceeds being used in lieu of borrowing.

9. HIGH-COST STATE BRIDGE RECONSTRUCTION

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
BR	\$16,800,000	\$0	\$16,800,000
SEG	<u>831,400</u>	<u>- 119,300</u>	<u>712,100</u>
Total	\$17,631,400	- \$119,300	\$17,512,100

Governor: Authorize \$16,800,000 in transportation fund-supported, general obligation bonds for painting the southern portion of the Hoan Bridge in Milwaukee County, change orders to the project's construction contract, and any remaining project costs. Provide an increase in funding of \$831,400 SEG in 2016-17 to reflect estimated debt service on these bonds. In its

budget request, the Department requested \$15,800,000 SEG in 2015-16 and \$1,000,000 SEG in 2016-17 for this purpose. In place of these SEG funds, it is anticipated that bonds would be used in the years and amounts specified in the Department's request. Painting of the northern half of the Hoan Bridge was funded in the 2013-15 biennium as part of the larger reconstruction project. Painting the remaining, one-mile long, southern portion of the two-mile long bridge is intended to protect the bridge's steel structure from corrosion, which is caused by exposure to the elements and deicing chemicals. The bridge reconstruction is scheduled for completion by the end of 2015.

Joint Finance: Decrease debt service on the \$16,800,000 in bonds by \$119,300 SEG in 2016-17 to reflect changes in the expected issuance of the bonds and the true financing costs of the debt after factoring in bond premium proceeds being used in lieu of borrowing.

10. STATE LIFT BRIDGE FUNDING

SEG	\$330,000
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Governor/Joint Finance: Provide \$160,000 in 2015-16 and \$170,000 in 2016-17 for state-owned lift bridge operations and maintenance. The Department owns 15 lift bridges in five counties. Although the bridges are operated by the counties in which they are located, the Department is responsible for these operational costs, as well as for the cost of maintaining the bridges. When added to the base funding for this purpose, this item would result in total funding of \$2,370,100 in 2015-16 and \$2,380,100 in 2016-17 for state lift bridges (a separate appropriation of \$2,659,200 annually funds the cost of lift bridges on connecting highways).

11. CONSTRUCTION MANAGER/GENERAL CONTRACTOR PILOT PROGRAM [LFB Paper 654]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$300,000	- \$300,000	\$0

Governor: Authorize the Department to engage in an alternative state highway project delivery and construction model through a construction manager/general contractor (CMGC) pilot program and provide \$225,000 in 2015-16 and \$75,000 in 2016-17 to fund the program. Specify that this authority would extend only to CMGC contracts awarded prior to July 1, 2019, and that the Department would be able to use a CMGC contract for no more than three highway improvement projects during this period.

Under current law, the Department must award bids to the lowest qualified bidder (often referred to as the design-bid-build model). During this process, the Department may contract with several different design consultants in addition to working with its own staff to develop a design for the bidding process. Following the submission of project bids, if the Department decides to award a contract, it is required by statute to select what it determines to be the lowest competent and responsible bidder. The Department indicates that the CMGC model may allow for more efficient and cost-effective delivery of projects that require specialized equipment or

expertise.

Specify that the Department would be able to award a two-phase CMGC contract to a construction manager for preconstruction and construction services. Define a "construction manager" as a person in the business of providing construction services that is also qualified to supervise, manage, or otherwise participate in the engineering, design, or construction work for a highway improvement project. Under this provision, the Department would be able to award a CMGC contract based on qualifications, experience, best value, or any other combination of factors the Department considers appropriate. Require that before project design is 90% complete, the construction manager would have to provide the Department with a proposal to construct the project. Specify that this proposal would have to include a guaranteed maximum price for project construction and a certification that at least 30% of the work for the construction phase would be performed by the construction manager. In addition, require the Department to obtain an independent cost estimate for the construction of the project. For the construction phase, specify that the Department would be able to enter into a construction contract with the construction manager pursuant to the submitted proposal or could instead opt to revert to the current law bidding process.

Amend current law such that any persons performing any work under the proposed CMGC contract process would be subject to the same statutory prevailing wage and hours of labor requirements that currently apply to highway projects awarded through competitive bidding. Persons in the employ of contractors, subcontractors, or agents, and other persons performing any work under such a contract would be subject to this provision. In addition, amend the statutes so that laws applying in the following areas to highway projects awarded through competitive bids would also apply to CMGC contracts: (a) the definition of subcontractor, supplier, or service provider as it relates to form of contracts, performance bonds, and remedy; (b) when an action may be taken on a performance and payment bond; and (c) the liability exemption for handling petroleum-contaminated soil under contracts with the Department.

Specify that these provisions would be initially applicable to contracts entered into on the general effective date of the bill.

Joint Finance: Delete provision.

12. REPEAL OF STATUTE REQUIRING BICYCLE AND PEDESTRIAN FACILITIES [LFB Paper 655]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$0	- \$381,000	- \$381,000

Governor: Repeal the statutory provision that generally requires the Department to ensure that bikeways and pedestrian ways are established in all new highway construction and reconstruction projects funded in whole or in part from state or federal funds. Under current law, exceptions to this general requirement apply only when: (a) bicyclists or pedestrians are

prohibited by law from using the highway that is the subject of the project; (b) the cost of establishing bikeways or pedestrian ways would be excessively disproportionate (exceeding 20% of total project cost) to the need or probable use of the bikeways or pedestrian ways; (c) establishing bikeways or pedestrian ways would have excessive negative impacts in a constrained environment; (d) there is an absence of need for the bikeways or pedestrian ways, as indicated by sparsity of population, traffic volume, or other factors; or (e) the community where pedestrian ways are to be located refuses to accept an agreement to maintain them.

Joint Finance: Replace current law with a provision specifying that the Department would be required to give due consideration to establishing bikeways and pedestrian ways in all new highway construction and reconstruction projects funded in part or in whole with state or federal funds. Specify that the Department may not establish a bikeway or pedestrian way as part of a new highway construction or reconstruction project if either of the following apply: (a) bicyclists or pedestrians are prohibited by law from using the highway that is the subject of the project; or (b) the project is funded in whole or in part from state funds, unless the governing body of each municipality in which a portion of the project will occur has adopted a resolution authorizing the Department to establish the bikeway or pedestrian way, or if the federal government provides written notice to the Department that establishment of such facilities as a part of a project is a condition for the use of federal funds for that project. Repeal TRANS 75, which is the chapter of the administrative code that relates to the inclusion and exclusion of bikeways and pedestrian ways in highway projects. Specify that these provisions would first apply to a project that is not complete on the general effective date of the bill, except to the extent that funds for a project that has not been completed are encumbered on this date. Delete \$190,500 annually from the appropriation for the major highway development program to reflect anticipated savings from the modification of the law.

13. PROHIBITING THE USE OF STATE MONEYS FOR COMMUNITY SENSITIVE SOLUTIONS [LFB Paper 656]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$0	- \$104,200	- \$104,200

Governor: Specify that state moneys may not be expended on elements of highway improvement projects that the Department determines are primarily related to the aesthetic preferences of communities adjacent to the project, generally known as community sensitive solutions. Generally, under current law, the Department may not expend more than 1.5% of the project costs of any highway improvement project on such elements, unless: (a) the project elements are included in a federal record of decision or similar federal project approval issued prior to July 2, 2013; (b) the inclusion of the project elements is required to receive approval for the use of federal funds on the project; or (c) the expenditures in excess of the amount permitted are reimbursed by another party. This provision would not affect the current 1.5% limit, but would preclude using any state moneys for community sensitive solutions.

Specify that this prohibition would first apply to a project for which an agreement between

the state and a local government related to community sensitive solutions has not been entered into as of the general effective date of the bill.

Joint Finance: Reduce the appropriation for the major highway development program by \$104,200 in 2016-17 to reflect the Department's estimate of the funding in this program associated with community sensitive solutions agreements that will not be signed by the effective date of the bill.

14. AUDIT OF THE DEPARTMENT OF TRANSPORTATION'S STATE HIGHWAY PROGRAM

Joint Finance: Request that the Joint Legislative Audit Committee direct the Legislative Audit Bureau to conduct a performance evaluation audit of the state highway program. Specify that if the Committee directs the Legislative Audit Bureau to conduct the audit, the Bureau would be required to file its reports by January 1, 2017. Provide that, if conducted, the audit would have to do all of the following:

a. Evaluate the Department's traffic forecasting methodologies, assess the accuracy of its forecasts as compared to those produced by other states, assess the conformity of the Department's traffic forecasting methodologies with relevant professional standards, and consider any other factor relevant to the assessment of the Department's traffic forecasting methodologies. Include within this evaluation a comparison of traffic forecasts provided by the Department from 1990 to 2014 during federal environmental project reviews with postconstruction traffic counts in corresponding completed project locations and include within this comparison a further comparison of the accuracy of the Department's traffic forecasts for projects in the state highway rehabilitation program, the major highway development program, the southeast Wisconsin freeway rehabilitation program, and the southeast Wisconsin freeway megaprojects program.

b. Evaluate the processes and factors that the Department uses to select the timing, type, and scope of highway improvements. Specify that the types of improvements evaluated would have to include lane additions, increasing highway shoulder width, purchase of additional right-of-way, construction of bicycle and pedestrian facilities, changes to roadway geometric alignments, use of dynamic and static messaging signs, and inclusion of ramp gates, barriers, roundabouts, diverging diamond intersections, or aesthetic design elements in projects. Include within this evaluation the total amount expended for each highway improvements type from 2005-06 to 2014-15 by fiscal year.

c. Assess whether the Department could reduce state highway program expenditures on safety-related improvements without significantly reducing public safety.

d. Evaluate the extent to which the Department has met, failed to meet, or exceeded minimum federal and state requirements for highway design and construction for 2005-06 to 2014-15 and the costs or savings associated with the Department's practices related to compliance with highway design and construction requirements.

e. Audit the Department's bidding practices related to the state highway program for 2005-06 to 2014-15 and assess the extent to which these practices have complied with state statutes.

f. Provide recommendations for the improvement or correction of practices of the Department related to the components of this audit.

15. CONFORMITY WITH FEDERAL WEIGHT LIMITS ON I-41

Joint Finance: Modify chapter 348 of the statutes to implement the provisions of Title 23, Section 127(j), of the United States Code, which allows vehicles that were permitted to operate on the former USH 41 corridor, as described in Section 1105(c) (57) of the Intermodal Surface Transportation Efficiency Act of 1991, to continue to operate on that highway segment, which was designated as Interstate 41 on April 7, 2015, without regard to the requirements of Title 23, Section 127(a), of the United States Code. Make technical changes to standardize references to I-39 in the statutes. [Under this provision a weight limit exception in the federal code for this new section of the interstate highway system would be added to state law such that vehicles able to exceed the general maximum weights allowed on U.S. Highway 41 before its designation as Interstate 41 on April 7, 2015, would be permitted to operate on I-41 in the same manner as they were permitted to operate before the designation (through the use of an oversize/overweight permit or an applicable statutory exemption).]

16. HIGHWAY SIGNS FOR THE WISCONSIN BASKETBALL COACHES ASSOCIATION HALL OF FAME

Joint Finance: Require the Department to erect and maintain two directional signs along the eastbound and westbound lanes of I-90/94 and two directional signs along the exit ramps of this highway that correspond to the signs along the main roadway for the Wisconsin Basketball Coaches Association Hall of Fame in Columbia County (located in the Wisconsin Dells), upon receipt of sufficient contributions from interested parties, including any county, city, village, or town, to cover the costs of fabricating, erecting, and maintaining these signs. Specify that no state funds could be used for fabricating, erecting, or maintaining these signs other than the contributions received from interested parties.

Motor Vehicles

1. DRIVER LICENSE/IDENTIFICATION CARD CONTRACT

SEG	\$1,700,000
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Governor/Joint Finance: Provide \$680,000 in 2015-16 and \$1,020,000 in 2016-17 for increased costs associated with a new vendor contract for driver license and identification card

redesign and production. The Department reports current driver license and identification cards no longer meet industry security standards. The current vendor contract will expire in November, 2015. A new, multi-year contract will begin at that time, and expire in 2022 (although the contract may be extended beyond this date by a maximum of three years). Under the new contract, the Department estimates the per-unit cost of card production will increase from \$2.25 to \$3.10. The Department attributes this cost increase to the added card security features (which may include features such as laser engraving and micro-optical printing), upgraded issuance software and equipment, and general cost increases associated with the new contract. Under the terms of the new contract, customers will also be able to track delivery of their driver license or identification card, through which the Department intends to reduce fraud and identity theft.

2. DRIVER LICENSE AND IDENTIFICATION CARD CHANGES [LFB Paper 660]

SEG-REV	\$325,800
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Governor: Make the following changes applying to driver licenses and identification cards.

a. Specify that if an applicant for renewal of a license authorizing operation of only "Class D" vehicles (this is a regular, noncommercial driver license) satisfies eligibility criteria established by the Department, the person may apply for renewal of the license, and the Department may renew the license, by any electronic means. Provide that a license may be renewed in this way without the applicant's photograph being taken. Specify that applicants may not apply for renewal under this provision more than once in a 16-year period. Require that the Department establish criteria for eligibility for license renewal by electronic means.

Generally, under current law, regular, nonprobationary driver licenses must be renewed every eight years (with shorter expiration periods for instructional permits and probationary licenses); as a condition of renewal, applicants must appear in person to have a digital photograph taken and pass an eyesight exam. It is the administration's intent that electronic renewals would require proof of an eyesight exam and that the Department would use the provision requiring establishment of an electronic application process to develop administrative rules for submission of such proof. The Department indicates that a person renewing a license through electronic means would be issued a new license of the type they currently hold (either REAL ID compliant or noncompliant). The Executive Budget Book references also allowing drivers to transition from an instructional permit to a probationary license and then to a regular license through electronic means. However, the language in the bill would only apply to license renewals.

b. Extend the expiration date for original licenses from three years after the person's birthday to eight years after the date of issuance. This change would affect the following cases: (1) the person is moving to the state, surrenders his or her valid commercial driver license issued by another state, and applies for a Wisconsin commercial driver license; (2) the person is 21 years of age or older and is moving to this state, has been licensed in another jurisdiction for at least three years, and presently holds a license, other than an instructional permit, from another jurisdiction which has not expired for more than six months; or (3) the person is entitled to a

regular license under a foreign license reciprocity agreement. Probationary licenses would continue to expire two years after the date of the applicant's next birthday and driver license renewals would continue to expire eight years after the date of issuance.

c. Increase the fee for the initial issuance of a nonprobationary driver license authorizing operation of only "Class D" vehicles from \$18 to \$24. This is the fee paid by those persons described in (2) and (3) in the preceding paragraph and would set this fee at the same level currently charged for the eight-year "Class D" driver license renewal. These individuals would pay the higher fee, but would receive a license with a longer valid period. They would also continue to pay a separate \$10 license issuance fee. Increase estimated transportation fund revenue by \$108,600 in 2015-16 and \$217,200 in 2016-17 to reflect the fee increase.

d. Specify that identification cards issued to persons age 65 and older at the time of issuance would not expire and that cards issued under this provision would be of the design and marking under current law for REAL ID noncompliant cards. Under this provision, such a person would not have the option to request an expiring REAL ID compliant card.

e. With the exception of the provision requiring the Department to develop an electronic means for license renewal, which would take effect on the bill's general effective date, specify that these provisions would be effective on the first day of the seventh month beginning after publication of the budget act and would first apply to applications submitted on that date.

Joint Finance: Delete the provision that would establish an electronic renewal process for a license authorizing operation of only "Class D" vehicles. Provide the Department with the authority to allow drivers to transition from an instructional permit to a probationary license and then to a regular license through electronic means (if the requirements for the next licensing level have been met) and to extend waivers of the photograph requirement and the eyesight exam to applicants transitioning between license types under this provision. Require the Department to establish criteria for eligibility for license issuance and renewal by electronic means. Modify the language in the bill to provide the Department with the authority to issue an expiring, REAL ID compliant identification card or a nonexpiring, REAL ID noncompliant identification card to those applicants 65 years old and older.

3. WAIVER OF VARIOUS FEES FOR HOLDERS OF MILITARY COMMERCIAL DRIVER LICENSES [LFB Paper 661]

SEG-REV	- \$14,800
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Governor: Waive the following fees for commercial driver license applicants who hold a military commercial driver license, first applying to applications made on the bill's general effective date:

a. the \$64 fee for the original issuance or renewal of a commercial driver license, which includes issuance of any "H", "N", "P", or "T" endorsements, or "Class D" authorization when the applicant is qualified for such endorsements or authorization and the application is made at the same time as the application for, or renewal of, a commercial driver license;

b. the original issuance or renewal fee of \$5 for the "S" endorsement required to

operate a school bus when the applicant is qualified for this endorsement and the application is made at the same time as the application for, or renewal of, a commercial driver license; and

c. the additional fee of \$10 for the issuance, renewal, upgrading, or reinstatement of any license, endorsement, or instruction permit issued by the Department.

State law defines a military commercial driver license as an authorization from the National Guard of any state, from a branch of the U.S. armed forces, or from forces incorporated as part of the U.S. armed forces authorizing a person to operate vehicles that the Department determines are equivalent to commercial vehicles as defined in state statute. Upgrade fees required to add endorsements and authorizations to existing commercial driver licenses would not be waived for applicants who hold military commercial driver licenses. The Department estimates a decrease to transportation fund revenue of \$7,400 annually related to this provision.

Joint Finance: Modify the provision to reflect the administration's intent to waive the fees for a commercial driver license and related endorsements, as well as the \$10 additional license issuance fee, only for this license type and related endorsements, at the time of initial issuance.

4. USE OF TRACTORS FOR SPECIAL OCCASIONS WITHOUT REGISTRATION

Joint Finance: Specify that a farm tractor may be operated on a highway for special occasions such as display and parade purposes or for participation in tractor or antique vehicle clubs, including traveling to and from such events, or when used for occasional personal use, but not for regular daily transportation, without being registered with the Department.

5. SCRAP METAL AND MOTOR VEHICLE SALVAGE DEALERS

Joint Finance: Require that before acquiring a motor vehicle for ferrous scrap, nonferrous scrap, metal articles, or proprietary articles, a scrap metal dealer shall examine the certificate of title for the motor vehicle to determine whether there is a security interest in the motor vehicle. Specify that if the person transferring the motor vehicle is not in possession of the certificate of title, the scrap metal dealer shall examine the title records of the Department to determine whether there is any holder of a security interest in the motor vehicle. Specify that a scrap metal dealer who demonstrates that the dealer has acted in accordance with this subsection is not liable for any damages incurred by a person who asserts a security interest in a motor vehicle and who is not named on the certificate of title of the vehicle. Stipulate that a scrap metal dealer may not acquire a motor vehicle for ferrous scrap, nonferrous scrap, metal articles, or proprietary articles if the certificate of title identifies a holder of a security interest in the vehicle.

Specify that before acquiring a motor vehicle for the purpose of wrecking or junking it, a licensed motor vehicle salvage dealer shall examine the certificate of title for the motor vehicle to determine whether there is a security interest in the motor vehicle. Require that if the person transferring the motor vehicle is not in possession of the certificate of title, that the licensed motor vehicle salvage dealer shall examine the title records of the Department to determine whether there is any holder of a security interest in the motor vehicle. Specify that a licensed motor vehicle

salvage dealer who completes this examination and is able to demonstrate that such an examination occurred is not liable for any claim for damages incurred by a person who asserts a security interest in the motor vehicle and who is not identified on the certificate of title. Stipulate that a licensed motor vehicle salvage dealer may not acquire a motor vehicle for the purpose of wrecking or junking it if the certificate of title identifies a holder of a security interest in the vehicle.

Specify that a scrap metal dealer or a licensed motor vehicle salvage dealer who knowingly violates these provisions may be fined as follows: (a) not more than \$250 for a first offense; (b) not more than \$750 for a second offense; and (c) not more than \$1,500 for a third or subsequent offense. Stipulate that each day on which a scrap metal dealer or a licensed motor vehicle salvage dealer knowingly violates this section constitutes a separate violation.

Define a "motor vehicle scavenger" as a person who carries on or conducts the business of purchasing motor vehicles and reselling the vehicles to a motor vehicle salvage dealer or scrap metal processor. Stipulate that a motor vehicle scavenger may not acquire a motor vehicle by bill of sale for the purpose of wrecking or junking it. Amend current law such that the definition of a motor vehicle salvage dealer would include motor vehicle scavengers.

Specify that these provisions would take effect on the first day of the fourth month beginning after publication of the bill.

State Patrol

1. STATE PATROL RECRUIT CLASS FUNDING

SEG	\$2,312,200
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Governor/Joint Finance: Provide \$1,156,100 annually to fund recruit training classes for the Division of State Patrol in 2015-16 and 2016-17. These funds would be used for recruitment, screening, academy training, equipment, salary, fringe benefits, and post-training expenses. Following an initial screening and testing period, the Department expects that each class of 30 cadets would yield 25 newly sworn officers (troopers and inspectors). Based on current hiring assumptions and the rate of retirements and resignations (about two per month), the Department estimates it will have 30 sworn officer vacancies by the end of 2014-15 and that this will increase to 82 vacancies by the end of 2016-17 with no recruit training classes. The 2013-15 biennial budget provided \$1,369,000 in 2013-14 for recruit training, but did not provide any base funding in 2014-15 for that purpose.

2. STATE PATROL OVERTIME COSTS [LFB Paper 665]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
SEG	\$2,189,800	- \$117,800	\$2,072,000

Governor: Provide \$1,094,900 annually in 2015-17 for partial funding of overtime costs associated with the Division of State Patrol's current staffing practices. Unscheduled overtime, which is performed as needed, is frequently the result of troopers' involvement in crash response, intoxicated driver arrest, and sick leave coverage for other officers.

Joint Finance: Decrease the amount provided for State Patrol overtime costs by \$58,900 annually to reflect the actual, average overtime rate for the State Patrol.

3. IN-VEHICLE RADIO REPLACEMENT

SEG	\$444,600
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Governor/Joint Finance: Provide \$222,300 annually for replacement of the Division of State Patrol's in-vehicle radios, which were purchased in 2007. The radios would be purchased through a five-year master lease, with annual payments totaling an estimated \$593,700 (base funding of \$371,400 plus this request). The amount provided would fund the purchase of upgraded radios that would allow for officers to communicate with local law enforcement and public safety agencies whose analog radio systems are not compatible with the state's digital radio system. The new radios would also have a wireless feature that would eliminate the need for in-vehicle signal repeaters, which are necessary for out-of-vehicle communication with officers under the current system. As reported by the Department, signal feedback from these devices can interfere with radio communication when multiple squad vehicles are at the same location.

4. TRANSFER OF PRETRIAL INTOXICATED DRIVER INTERVENTION GRANT PROGRAM

SEG	- \$1,463,200
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Governor/Joint Finance: Transfer administration of the pretrial intoxicated driver intervention grant program from DOT to DHS and delete the related DOT appropriation and \$731,600 annually to reflect this transfer. This program provides grants using state funds for county intensive supervision programs related to early intervention for certain operating while intoxicated offenders. By statute, grant funds may cover up to 80% of the cost of program activities, although DOT limits aid to 50% of the cost to allow grants to be made for more programs. In 2014, the program provided funding for 11 county intensive supervision programs. The bill would not provide any additional funding to DHS for this purpose, but would add this program to the list of other programs funded from a larger DHS appropriation of \$8,681,100 annually. An entry summarizing the statutory changes related to DHS is provided under "Health Services."

5. SAFE-RIDE PROGRAM SURCHARGE

PR-REV	\$1,410,000
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Joint Finance: Require that when a court imposes a fine or a forfeiture for a violation of operating while intoxicated laws that currently require a \$435 driver improvement surcharge that it shall also impose a separate \$50 surcharge, called the "safe-ride program surcharge," first applying to offenses committed on the effective date of the bill. Specify that all moneys received by the Secretary of Administration from this surcharge would be deposited to the existing safe-ride grant program appropriation for awarding grants to local governments and non-profit organizations for the purpose of covering the costs of transporting persons suspected of having a prohibited blood alcohol concentration. Increase estimated program revenue to this appropriation by \$470,000 in 2015-16 and \$940,000 in 2016-17.

Stipulate that if a court imposes a safe ride program surcharge, and the person fails to pay this surcharge within 60 days after the date by which the court ordered this payment be made, the court may suspend the person's driver license until the surcharge is paid subject to a maximum suspension period of two years. Specify that the safe-ride program surcharge must be imposed regardless of whether a court has stayed all or part of a sentence for an individual ordered to perform community service.

6. REQUIRE EXEMPT CARGO TANK MOTOR VEHICLES TO STOP AT RAILROAD CROSSINGS

Governor/Joint Finance: Specify that the operator of every cargo tank motor vehicle, whether the vehicle is loaded or empty, transporting a commodity under federal exemption, as provided in the Code of Federal Regulations (49 CFR Part 107, Subpart B), before crossing any track of a railroad at grade, would be required to stop such a vehicle within 50 feet, but not less than 15 feet, from the nearest rail of such railroad.

In addition to other vehicles, current state law requires every cargo tank motor vehicle to stop before an at-grade railroad crossing under the following conditions: (a) whether loaded or empty, when the vehicle is used for the transportation of any liquid having a flashpoint below 200° Fahrenheit; and (b) when transporting a commodity, which at the time of loading, has a temperature above its flashpoint.

The Department reports that a Federal Motor Carrier Safety Administration (FMSCA) audit report found the state's statutes to be incompatible with federal law. To be considered in compliance, FMSCA advised that the state make the change proposed in the bill. This would require all commercial cargo tank motor carriers, including those classified as "exempt," to stop before crossing an at-grade railroad crossing. The Department reports that continued noncompliance with federal law could result in the loss of \$4.5 million in federal aid used for motor carrier enforcement.

7. PRIVATE MOTOR CARRIER DEFINITION [LFB Paper 666]

Governor: Modify the definition of "private motor carrier" to mean any person who

provides transportation of property or passengers by commercial motor vehicle and is not a contract motor carrier. Specify that this change would be initially applicable to motor carrier operations on the general effective date of the bill. Under current law, "private motor carrier" means any person except a common or contract motor carrier engaged in the transportation of property by motor vehicle other than an automobile or trailer used therewith, upon the public highways. The current definition of private motor carrier does not include the transportation of passengers.

The Department indicates that rather than the modification in the bill, the intent was to define a "private motor carrier" as any person who provides transportation of property or passengers by a commercial motor vehicle as described in 49 CFR Part 390.5 and is not a for-hire motor carrier. Generally, the term, "for-hire," means for compensation. Under the intended modifications, private motor carriers transporting passengers by commercial motor vehicle, as defined in federal code, would be subject to the same safety requirements that are currently imposed on private motor carriers of property (such as those related to vehicle inspection and marking). Entities affected by this modification would include groups that provide transportation on a not-for-hire basis with their own passenger transportation fleets.

The intended modification reflects the Department's effort to comply with a Federal Motor Carrier Safety Administration (FMSCA) audit report, which advised that the state's current definition of private motor carrier is incompatible with federal law. The Department indicates that to be considered in compliance, FMSCA recommended that the state adopt a definition of private motor carrier as provided in the intended modification. The Department reports that continued noncompliance with federal law could result in the loss of \$4.5 million in federal aid used for motor carrier enforcement.

Joint Finance: Modify the provision, to reflect the Department's intent, to define a "private motor carrier" as any person who provides transportation of property or passengers by commercial motor vehicle as defined in 49 CFR Part 390.5 and is not a for-hire motor carrier.

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS

Governor/Joint Finance: Provide adjustments to the base budget for: (a) turnover reduction (-\$4,446,700 SEG and -\$54,700 FED annually); (b) removal of noncontinuing elements (-\$407,100 SEG annually, -\$21,700 FED and -2.0 FED position in 2015-16, and \$263,100 FED and -7.0 FED positions in 2016-17); (c) full funding of continuing position salaries and fringe benefits (\$3,280,700, SEG, \$164,900 FED, \$204,900 PR, and -\$46,300 SEG-S annually); (d) overtime (\$2,754,300

	Funding	Positions
SEG	\$2,690,300	0.00
FED	79,600	- 7.00
PR	742,800	0.00
SEG-S	<u>- 92,600</u>	<u>0.00</u>
Total	\$3,420,100	- 7.00

SEG, \$67,300 FED, and \$166,500 PR annually); (e) night and weekend salary differential (\$256,800 SEG and \$4,700 FED annually); and (f) full funding of lease costs and directed moves (-\$226,600 SEG in 2015-16 and \$40,900 SEG in 2016-17).

2. FEDERAL AID REESTIMATES

FED	- \$26,593,600
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Governor/Joint Finance: Provide a decrease of \$13,296,800 annually to reflect a reestimate of federal transportation aid in the biennium, excluding federal highway aid. Adjust the federal appropriations for the following purposes to reflect the reestimated federal aid amounts: (a) -\$17,769,800 annually for urban and rural transit services, transportation employment and mobility, and intercity bus assistance; (b) \$2,355,800 annually for elderly and disabled aids; (c) -\$2,302,100 annually for aeronautics assistance; (d) \$1,377,600 annually for highway safety purposes, including highway safety coordination; (e) \$5,418,100 annually for local governments for the implementation of the federal highway safety program; (f) -\$2,366,400 annually for vehicle inspection and traffic enforcement; and (g) -\$10,000 annually for rail service assistance.

3. FLEET SERVICE CENTER COSTS

SEG-S	\$1,100,000
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Governor/Joint Finance: Provide \$550,000 annually in the Department's fleet service center appropriation to fund increased operational costs associated with 62 additional fleet vehicles. The Department purchased the additional vehicles because of increased demand following the addition of 180 departmental engineering positions, which were created through 2013 Act 20. The Department indicates that many employees in these positions are required to use fleet vehicles on an occasional basis, whereas others have personally-assigned fleet vehicles because of the large amount of in-state travel duties required by these positions. The amount provided reflects the anticipated annual operations and maintenance budget shortfall for the fleet service center in each year of the 2015-17 biennium as a result of the additional vehicles. The service center receives revenue through charges to other DOT appropriations to reflect the use of vehicles by employees funded through those appropriations. This item gives the service center the authority to spend those revenues.

4. POSITION AND FUNDING TRANSFERS ASSOCIATED WITH DEPARTMENTAL REORGANIZATIONS

Governor/Joint Finance: Transfer the following positions and funding within the Department:

a. *Crash Database and Motor Carrier Enforcement.* Transfer \$365,400 SEG and 7.3 SEG positions annually from the main appropriation for the Division of Motor Vehicles to the Department's transportation safety appropriation and transfer \$115,100 SEG and 1.0 SEG position annually from the transportation safety appropriation to the main appropriation for the Division of State Patrol. The first transfer would shift operation and management of the Department's motor vehicle crash database from the Division of Motor Vehicles to the Division

of State Patrol's Bureau of Transportation Safety to consolidate the staff responsible for collecting crash data with other transportation safety functions. The second transfer would move funding and the position for the supervision of the motor carrier enforcement unit to the main State Patrol appropriation to reflect the enforcement focus of this unit.

b. *Traffic Counting and Aircraft Registration Positions.* Make the following transfers related to the organization and funding of aircraft registration and traffic counting positions within the Department:

<u>Appropriation</u>	<u>Fund Source</u>	<u>Annual Transfers</u>	
		<u>Funding</u>	<u>Positions</u>
Aeronautics Assistance	SEG	\$70,200	1.00
Administration and Planning	SEG	-94,100	-1.00
Departmental Mgmt. and Ops.	SEG	66,500	0.60
Division of Motor Vehicles	SEG	<u>-42,600</u>	<u>-0.60</u>
Total SEG		\$0	0.00
Administration and Planning*	FED	-\$397,900	-4.00
Departmental Mgmt. and Ops.	FED	<u>397,900</u>	<u>4.00</u>
Total FED		\$0	0.00

*Including the appropriation used to account for these positions.

The transfer of \$70,200 SEG annually to the aeronautics assistance appropriation reflects the Department's transference of responsibility for aircraft registration from the Division of Motor Vehicles to the Bureau of Aeronautics. This reorganization would align aircraft registration with this Bureau's other functions. The remaining items are associated with a proposed reorganization of traffic counting positions and the transfer of related salary, fringe benefits, and supplies and services funding. These actions would consolidate traffic counting data collection activities in the bureau responsible for this inventory data.

c. *Oversize/Overweight Permitting.* Transfer \$805,700 SEG and 9.0 SEG positions annually from the main appropriation for the Division of Motor Vehicles to the appropriations used to fund state highway system management and operations to align funding with changes made in a 2014-15 reorganization that transferred the oversize/overweight vehicle permitting function from the permits unit in the Bureau of Vehicle Services to a new, oversize/overweight permit section in the Bureau of Highway Maintenance in order to consolidate route review and permitting in one place.

5. FREIGHT OPTIMIZATION MODELING CONSULTANT SERVICES

Joint Finance: Allocate \$1,600,000 in the Joint Committee on Finance's GPR supplemental appropriation in 2015-16 for the purpose of funding a consultant contract for freight optimization modeling services. Create a continuing, DOT appropriation from the general fund for the purpose of expending these moneys for contracting with a consultant for freight optimization modeling services. Specify that DOT and WEDC must conduct a study and prepare

a report analyzing possible applications of freight optimization modeling for economic development and transportation infrastructure prioritization in the state. Specify that this report shall include: (a) a description of how the Department and WEDC would plan to use the freight optimization consultant services for economic development and transportation infrastructure prioritization; and (b) a recommendation regarding the use of available funding for contracting with one or more consultants for the provision of freight optimization modeling services. Stipulate that no later than June 30, 2016, the Department and WEDC shall complete the study and submit the report to the Committee.

Specify that the Department may submit together with the report a request under s. 13.10 of the statutes to supplement the new, DOT appropriation from the Committee's supplemental appropriation for the purpose of contracting with a consultant for freight optimization modeling. Stipulate that if funding is approved by the Committee, the Department may use these funds to contract with a consultant to procure freight optimization services by doing one of the following: (a) amending an existing contract with a consultant, without issuing a request for proposal; or (b) issuing a request for proposal.

6. LAPSE REQUIREMENT

Governor/Joint Finance: Specify that the 2013 Act 145 requirement that the Department lapse \$140,900 to the general fund from the unencumbered balances of GPR and PR appropriations in 2015-16 would also apply to 2016-17. [See "Budget Management and Compensation Reserves."]

7. TRANSFER VACANT POSITION TO DEPARTMENT OF ADMINISTRATION FOR INFORMATION TECHNOLOGY PROCUREMENT [LFB Paper 113]

	Governor		Jt. Finance		Net Change	
	<u>(Chg. to Base)</u>		<u>(Chg. to Gov)</u>		<u>(Chg. to Base)</u>	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	-\$197,400	- 1.00	\$197,400	1.00	\$0	0.00

Governor: Transfer 1.0 vacant position to the Department of Administration for strengthening information technology and services procurement. Delete \$98,700 annually from DOT's departmental management and operations appropriation associated with the position. [See "Administration -- Transfers."]

Joint Finance: Delete provision.

8. CONSOLIDATE MARKETING SERVICES IN TOURISM [LFB Paper 627]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	\$0	- 7.95	-\$821,000	1.10	-\$821,000	- 6.85
FED	<u>0</u>	<u>- 0.55</u>	<u>- 206,800</u>	<u>- 1.10</u>	<u>- 206,800</u>	<u>- 1.65</u>
Total	\$0	- 8.50	-\$1,027,800	0.00	-\$1,027,800	- 8.50

Governor: Delete 7.95 SEG positions and 0.55 FED position identified by the administration as being generally related to marketing or communications. Positions would be deleted from the following DOT program areas: (a) Division of Motor Vehicles (4.50 positions); (b) Division of State Patrol (2.00 positions); and (c) Division of Transportation System Development (2.00 positions). Associated funding (\$531,100 SEG and \$28,600 FED annually) would be reallocated from permanent position salaries and fringe benefits to supplies and services.

This provision is intended to consolidate various functions related to marketing of the state or state agency services in the Department of Tourism, which currently markets the state as a destination for tourists and other travelers. Tourism would be provided staffing and funding for an Office of Marketing, and Tourism would charge agencies for marketing services. The bill would not provide for the transfer of any incumbent employees to Tourism. Additional information on the Office of Marketing is available under "Tourism."

Joint Finance: Modify provision by deleting 2.0 additional positions (0.9 SEG and 1.1 FED) from the Division of Transportation System Development instead of 2.0 SEG positions from the Division of State Patrol. Rather than reallocating the associated funding to supplies and services, delete the funding for the positions, as modified, equal to -\$410,500 SEG and -\$103,400 FED annually.

9. DELETE VACANT INFORMATION TECHNOLOGY INFRASTRUCTURE POSITIONS

	Positions
SEG	- 2.00

Governor/Joint Finance: Delete 2.0 vacant positions annually at the Department "to reflect infrastructure functions that have already transitioned" to DOA. The positions would be deleted from the departmental management and operations appropriation. Funding associated with the positions (\$172,600 annually) would not be reduced, but rather reallocated to supplies and services to pay DOA for information technology services provided.

13. FRANK LLOYD WRIGHT HERITAGE TRAIL

Joint Finance: Specify that Department shall designate and mark the following route, through Kenosha, Racine, Milwaukee, Waukesha, Jefferson, Dane, Iowa, Sauk, and Richland counties, as the "Frank Lloyd Wright Heritage Trail":

a. Commencing in Kenosha County, where I-94 enters Wisconsin and proceeding on I-94 to Dane County.

b. In Dane County, proceeding on I-94; exiting to and proceeding on STH 30; exiting to USH 151 and then proceeding on USH 151 south; exiting to USH 14 west and then proceeding on USH 14 west to Richland County.

c. In Richland County, proceeding on USH 14 west, ending at the junction of USH 14 and CTH "Q."

d. In Sauk County, turning from USH 14 onto STH 23 south and proceeding on STH 23 south to Iowa County.

Require the Department to erect and maintain all of the following markers along this route:

e. At the end of the route in Kenosha County, one marker facing each direction of travel to identify to motorists the designation of the route as the "Frank Lloyd Wright Heritage Trail."

f. In Racine County, at the interchange of I 94 and STH 20, one marker facing each direction of travel to identify to motorists the location of the Frank Lloyd Wright Research Tower at the headquarters of S.C. Johnson and Son, Inc., in the City of Racine and Wingspread in the Village of Wind Point.

g. In Dane County, on USH 151, one marker facing each direction of travel to identify to motorists the location of Monona Terrace in the City of Madison and the First Unitarian Society Meeting House in the Village of Shorewood Hills.

h. In Sauk County, at the junction of USH 14 and STH 23, one marker facing each direction of travel to identify to motorists the continuation of the route and Taliesin in Iowa County.

i. In Iowa County, on STH 23, one marker facing each direction of travel to identify to motorists the designation of the route as the "Frank Lloyd Wright Heritage Trail" and the location of the Frank Lloyd Wright Visitor Center and Taliesin in the Town of Wyoming.

j. In Richland County, at the junction of USH 14 and CTH "Q," a marker facing each direction of travel to identify to motorists the designation of the route as the "Frank Lloyd Wright Heritage Trail" and the location of the Richland Museum and Visitors Center in the City of Richland Center.

Specify that the Department may erect and maintain markers along the route specified in (a) through (d) to identify to motorists the location of buildings designed or constructed by Frank Lloyd Wright that are open to the public and that are within 15 miles of this route. [See "Tourism -- Frank Lloyd Wright Promotions" for additional information.]